



## GENERAL TERMS OF BUSINESS | dirty jerz GmbH

### § 1 Operative area

The following general business terms are exclusively valid. Divergences or supplements by the purchaser will not be content of the contract unless the retailer agrees to their validity in written form.

### § 2 Contract conclusion, obligation contents written form

- Orders signed by the purchaser will be understood as an offer by the retailer. It is known to the purchaser that the retailer will send this offer, as well as other offers for further purchasers, to the parent company as a joint collective order and that the retailer can only accept the purchaser's order if the parent company confirms that the ordering and production of the merchandise is possible. For this reason the purchaser is bound to his offer for 3 months.
- The owed obligation content results exclusively from the retailer's written conformation of order and from the known general business terms.
- All agreements as well as possible assurances and additional or diverging supplements must be in written form in order to be valid. This is also the case for the revocation of the written form requirement.

### § 3 Execution location, delivery

- The execution location for all services mentioned in the delivery contract is the retailer's location.
- The delivery will be carried out from the depot, meaning at the purchaser's cost and risk. The purchaser can determine the shipping firm. The merchandise will be sent uninsured. A delivery address can be appointed.
- An estimated storage rate can be charged for deliveries from a foreign depot.
- The purchaser will carry the costs for any special packaging.
- The retailer has the right of partial deliveries, the must, however, be carried out in short succession and combinations must be sorted in a manner suitable for sales.
- All sales will be concluded in certain quantities, articles, qualities and fixed prices. To this both parties are bound. Commission business will not be concluded.

### § 4 Delivery dates, subsequent delivery term, reservation of self-delivery, withdrawal

- Merchandise delivery will be carried out on the dates or respectively the delivery terms stated in the retailer's order conformation.
- After the delivery deadline has expired, a subsequent delivery term of 12 days will begin without delay. The subsequent delivery term for stored merchandise ready for dispatch and NOS – „Never out of Stock“ – is 5 working days.
- All the retailer's service obligations are reserved to his timely and correct self-delivery. In the case of un-purposed, untimely or incorrect self-delivery and in the case of other hindrances which the retailer is not responsible for, such as acts of God, industrial action and other business break downs free of fault, which have continued or are estimated to continue for more than a week the delivery deadline or respectively the subsequent delivery deadline will – without delay – be extended by the length of the hindrance. The extension will only set in, if the purchaser is informed of the reason of delay as soon as it is obvious to the retailer that the delivery term cannot be kept.
- Transactions for delivery by a fixed date will not be concluded. Should, in an individual case, both parties explicitly agree that the merchandise is designated for particular operation, a fixed delivery date, without extension time, can, however, be set.
- The purchaser has no right to withdraw, if the retailer is not responsible for the circumstance justifying withdrawal.

### § 5 Defect rights, cancellation

- Obviously recognizable defects must be reported at the latest within 5 working days after receipt of the merchandise in order to preserve defect rights, hidden defects must be reported in written form within the limitation period, at the latest 5 working days after the defects have been found.
- Complaints about outstanding defects are unacceptable after cutting or any other started processing of the delivered merchandise.
- Small, technically unavoidable differences in quality, color, width, weight outfit or design are not subject to complaint. This is also valid for commercial differences, unless the retailer assured a sample-exacting delivery in written form.
- In the case of legitimate complaints, the retailer must either deliver flawless or substitute merchandise. The retailer's deadline set for subsequent delivery must be at least 12 days and starts with the receipt of the returned merchandise. In this case, the retailer will carry the freight costs. After the mentioned deadline has expired or should the repeated fulfillment be unsuccessful, the purchaser has the right to reduce the sales price or withdraw from the contract.
- In the case of cancellation, the purchaser is obliged to pay the retailer a flat rate settlement of 20% of the gross order value.

### § 6 Payment conditions

- The invoice will be written out on the date of delivery or respectively on the date the merchandise is made available. Postponement of the due date (value fixing) is categorically unacceptable.
- Invoices are to be paid within 30 days as of the invoice date.
- Should the retailer accept bills of change in the place of cash, checks or money transfers, an additional fee of 2% of the note total will be charged with the in-sourcing of the bill of change after net credit as of the 31st day after invoicing and merchandise shipment. Bills of change and acceptances with term of more than three months will not be accepted.
- Should the purchaser be obligated to prior payment or should he pay an invoice before it is due, he does not have the right of deduction for interest reasons.
- Payments will first be applied to accumulated costs, then to interest and then to the oldest main demand.

### § 7 Overdue payment, right of retention, clearing

- The retailer has the right to charge interest of 8% points per year above the respective basic interest rate of the European Central Bank for overdue payments. The enforcement of further damages is not excluded.
- The retailer has the right to refuse all obligations resulting from the existing business relation or to demand prior payment, as long as the purchaser is behind on his payment obligations
- Should the purchaser fall into arrears with prepayments, the retailer has the right to stipulate an appropriate period in which the purchaser is to settle the prepayment. After the deadline has unsuccessfully passed, the retailer may, under expiration of his service obligation, demand a flat rate compensation sum of 20% of the gross order sum in place of prepayment.
- Should the purchaser be obliged to prior payment, services can be refused – without delay – as long as after contract conclusion, circumstances become obvious, which show that the purchaser cannot fulfill his side of the contract, especially his payment obligations. In this case the retailer has the right to set a reasonable term in which the purchaser may pay in installments for services rendered or must offer security. If the deadline expires without success, the retailer can withdraw from the contract and demand compensation for the resulting damages or the futile expenditures.
- Incidentally, the retailer's demands in the case of overdue payment are respective to legal regulations.
- The offsetting or retention of invoices due is only allowed in the cases of undisputed or legally determined demands. Other deductions (for example mailing costs) are unacceptable.

### § 8 Reservation of proprietary rights

- The merchandise will remain the retailer's property until all invoices from merchandise deliveries included in the entire business relation have been completely paid, including all extra costs, compensation claims and all checks and bills of exchange have been cashed.
- Should the purchaser connect, combine or process the reserved merchandise to a new mobile article, this will occur without further obligation for the retailer. Should he connect, combine or process the reserved merchandise with merchandise not belonging to the retailer, the purchaser will acquire a share of the ownership of the new article according to the value of the reserved merchandise.
- Should a central regulator, who will take over liability, be brought in for business conclusion between the retailer and the purchaser, the retailer will transfer his property to the central regulator with the shipment of the merchandise under the suspended condition of payment of the sales price by the central regulator. The purchaser will be released only by the central regulator's payment.
- The purchaser is only entitled to further disposal or processing in consideration of the following conditions:
  - The purchaser may only dispose of or process the reserved merchandise in a proper business office and only if there is no lasting decline in his financial circumstances.
  - The purchaser herewith transfers the demand with all secondary rights resulting from the further sales of the reserved merchandise – including possible balance demands – to the retailer.
  - Should the merchandise be connected, combined or processed and should the retailer have acquired a share of the ownership amounting to the value of the reserved merchandise, he has the right to a share of the sales price respective to the value of his rights on the merchandise.
  - If the purchaser has sold the demand within the bounds of real factoring, he will transfer the newly resulting demand of the factor to the retailer and will forward him a share of his sales proceeds amounting to the value of the retailer's rights on



the merchandise. The purchaser is obligated to reveal the transfer to the factor if he is more than 10 days overdue with the payment of an invoice or if his financial circumstances decline substantially. The retailer accepts this transfer.

5. The purchaser is entitled to collect the transferred demands, as long as he fulfills his payment obligations. Collection authorization will expire with purchaser arrears or substantial decline in his financial circumstances. In this case, the retailer will herewith be authorized by the purchaser to inform buyers of the transfer and to collect the demands himself. The purchaser must supply the necessary information and allow the inspection of this information in order for the transfer to become valid. He must especially supply the retailer, on demand, with an exact list of the demands he is entitled to with the names and addresses of the buyers, the amount of each demand, invoice dates, etc.
6. If the value of the retailer's existing security exceeds his entire demands by more than 10%, the retailer is obligated in this respect to clear securities chosen by the purchaser upon his demand.
7. Mortgaging or transfer by the way of security of the reserved merchandise or respectively the transferred demands is not allowed. The retailer must be informed immediately about impoundment and the distress creditors
8. The purchaser will handle the reserved merchandise carefully and will keep it for the retailer free of charge. The purchaser is obligated to immediately report any damaged or lost merchandise to the retailer.

#### § 9 Limitation period

All the purchaser's demands concerning defects will lapse within a limitation period of 1 year as of the legal lapse beginning.

#### § 10 Distribution conditions

1. The customer is obliged to dispose of the merchandise delivered by the retailer to the end purchaser on the premises and under the address stated on the order. It is forbidden to forward the merchandise to further retailers. The customer is responsible for all damages the retailer may possibly be obligated to compensate for, for reasons of exclusivity or similar reasons, which may evolve from the forbidden forwarding of merchandise to third retailers.

2. In the case of violation of the distribution conditions, the customer is obliged to pay a legitimate conventional penalty of, customarily no less than 10,000 EUR for any violation. The customer is allowed to prove that the damages are worth less.

#### § 11 Retailer liability

1. The retailer will be liable to the customer
  - a. for damages he or his legal representatives or assistants have caused either purposely or by culpable negligence
  - b. according to the product liability law and
  - c. for damages resulting from life, bodily or health injuries, which the retailer, his legal representatives or assistants must represent.
2. The retailer is not liable in the case of simple negligence, unless he has violated an essential contract obligation (cardinal obligation). Liability for material and wealth damages is limited to contract typical and predictable damages. This is also valid for missed profits and failed reductions. Liability for other remote damages resulting from defects is out of the question. Liability is limited to the contract value in individual damage cases.
3. The purchaser may only demand compensation instead of service, if he sets the retailer a written term of at least two weeks with the threat of non-fulfillment after the deadline has expired. The term will begin with the retailer's receipt of the written term determination.
4. Incidentally, the retailer's liability in the case of compensation – no matter for what legal reason – is excluded. Expenditure compensation demands and other liability claims by the purchaser against the retailer are regulated according to clauses 1 and 2.

#### § 12 Supplements

1. German law prevails exclusively. The application of UN-purchase law is excluded.
2. Munich is the exclusive court of jurisdiction. For contracts with foreign customers, the retailer has the reserved right to call upon the foreign customer's local court.
3. The possible exclusion or ineffectiveness of single regulations in these general business terms will not have any influence on the effectiveness of the remaining regulations. Respective legal regulations will take the place of omitted or ineffective regulations in consideration of the presumed will of each party.